

ModernGraham Valuation

Company Name:

FedEx Corporation

Company Ticker FDX

Date of Analysis

8/22/2015



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.07
MG Growth Estimate	9.17%
MG Value	\$189.78
MG Value based on 3% Growth	\$102.53
MG Value based on 0% Growth	\$60.11
Market Implied Growth Rate	6.78%

MG Opinion

Current Price	\$155.93
% of Intrinsic Value	82.16%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$39.21
PEmg	22.05
Current Ratio	1.84
PB Ratio	2.95
Dividend Yield	0.51%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.56	Next Fiscal Year Estimate	\$7.07
May15	\$3.65	May15	\$5.35
May14	\$7.48	May14	\$5.94
May13	\$4.91	May13	\$4.78
May12	\$6.41	May12	\$4.39
May11	\$4.57	May11	\$3.50
May10	\$3.76	May10	\$3.31
May09	\$0.31	May09	\$3.45
May08	\$3.60	May08	\$4.91
May07	\$6.48	May07	\$5.21
May06	\$5.83	May06	\$4.28
May05	\$4.72	May05	\$3.30
May04	\$2.76	May04	\$2.54
May03	\$2.74	May03	\$2.38
May02	\$2.34	May02	\$2.17
May01	\$1.99	May01	\$1.97
May00	\$2.32	May00	\$1.85
May99	\$2.10	Balance Sheet Information May15	
May98	\$1.69	Total Current Assets	\$10,941,000,000
May97	\$0.67	Total Current Liabilities	\$5,957,000,000
May96	\$1.35	Long-Term Debt	\$7,249,000,000
		Total Assets	\$37,069,000,000
		Intangible Assets	\$3,810,000,000
		Total Liabilities	\$22,076,000,000
		Shares Outstanding (Diluted Average)	284,000,000



Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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[Ryder System Inc. Annual Valuation – 2015 \\$R](#)

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